

ORIGINAL



0000135429

BEFORE THE ARIZONA CORPORATION COMMISSION

RECEIVED

COMMISSIONERS

GARY PIERCE, Chairman  
PAUL NEWMAN  
SANDRA D. KENNEDY  
BOB STUMP  
BRENDA BURNS

2012 MAR 27 P 4: 28

AZ CORP COMMISSION  
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, AN ARIZONA CORPORATION, FOR AUTHORITY TO IMPLEMENT ARSENIC COST RECOVERY MECHANISMS FOR ITS AGUA FRIA WATER, SUN CITY WATER WEST, HAVASU WATER AND TUBAC WATER DISTRICTS.

DOCKET NO. W-01303A-05-0280

DECISION NO. 68310

NOTICE OF COMPLIANCE FILING

DOCKET NO. WS-01303A-02-0867

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS SUN CITY WEST WATER AND WASTEWATER DISTRICTS.

DOCKET NO. WS-01303A-02-0869

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE BY ITS MOHAVE WATER DISTRICT AND ITS HAVASU WATER DISTRICT.

DOCKET NO. WS-01303A-02-0870

IN THE MATTER OF THE APPLICATION OF ARIZONA-AMERICAN WATER COMPANY, INC., AN ARIZONA CORPORATION, FOR A DETERMINATION OF THE CURRENT FAIR VALUE OF ITS UTILITY PLANT AND PROPERTY AND FOR INCREASES IN ITS RATES AND CHARGES BASED THEREON FOR UTILITY SERVICE, ITS AGUA FRIA WATER BY ITS ANTHEM WATER DISTRICT, AND ITS ANTHEM/AGUA FRIA WASTEWATER DISTRICT.

Arizona Corporation Commission

DOCKETED

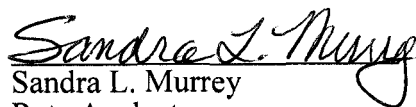
MAR 27 2012

DOCKETED BY

1111

1 In compliance with Decision No. 68310, EPCOR Water Arizona Inc. hereby files the  
2 attached 2011 Capital Structure Report.

3 RESPECTFULLY SUBMITTED on March 27, 2012.  
4  
5  
6

7   
8

9 Sandra L. Murrey  
10 Rate Analyst  
11 EPCOR Water  
12 2355 W. Pinnacle Peak Road, Suite 300  
13 Phoenix, AZ 85027  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52

1 Original and 13 copies **filed**  
2 on March 27, 2012, with:

3  
4 Docket Control  
5 Arizona Corporation Commission  
6 1200 West Washington  
7 Phoenix, Arizona 85007

8  
9 Copies of the foregoing **emailed**  
10 on March 27, 2012 to:

11  
12 Brian K. Bozzo  
13 Compliance and Enforcement Manager  
14 Utilities Division  
15 1200 West Washington Street  
16 Phoenix, AZ 85007

1 in Staff's AIF Tariff Schedule, and as further modified at the hearing, shall be approved.

2 IT IS FURTHER ORDERED that Arizona-American Water Company shall comply with all  
3 requirements discussed in this Order as a condition of approval of the Arsenic Cost Recovery  
4 Mechanism.

5 IT IS FURTHER ORDERED that Arizona-American Water Company shall file a plan with  
6 Docket Control by December 31, 2005 that describes how the Company expects to attain and  
7 maintain a capital structure (equity, long-term debt, and short-term debt) with equity representing  
8 between 40 and 60 percent of total capital.

9 IT IS FURTHER ORDERED that Arizona-American Water Company shall file, by April 1<sup>st</sup>  
10 of each year subsequent to any year in which it collects surcharges under an ACRM, a report with  
11 the Utilities Division Director showing the Company's ending capital structure by month for the  
12 prior year.

13 IT IS FURTHER ORDERED that Arizona-American Water Company shall modify the rate  
14 base calculation for the Havasu Water District to explicitly show a deduction for Arsenic Impact Fee  
15 collections.

16 IT IS FURTHER ORDERED that, as part of the Earnings Test schedule filed in support of the  
17 ACRM, Arizona-American Water Company shall incorporate adjustments conforming to Decision  
18 No. 67093.

19 IT IS FURTHER ORDERED that Arizona-American Water Company shall file the schedules  
20 discussed in its application, as modified by Staff's recommendations herein. Microsoft Excel or  
21 compatible electronic versions of the filings and all work papers should be filed concurrently with all  
22 ACRM filings.

23 IT IS FURTHER ORDERED that Arizona-American Water Company shall file permanent  
24 rate applications for its Sun City West, Agua Fria, and Havasu districts by no later than April 30,  
25 2008, based on a 2007 test year.

26 IT IS FURTHER ORDERED that, for the Havasu District, Arizona-American Water  
27 Company shall file with Docket Control by January 31<sup>st</sup> of each year, an annual calendar year status  
28 report, until the AIF Tariff is no longer in effect. The status report shall contain a list of all

**Arizona American Water Company**  
**Capital Structure for 2011 (Defined as equity, long-term debt and short-term debt)**  
**\$ Millions**

**Compliance for Decision No. 68310**

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
Equity	\$156.3	\$156.5	\$155.9	\$156.3	\$157.4	\$159.1	\$160.7	\$162.4	\$162.2	\$163.0	\$164.1	\$160.7
LT Debt	186.9	186.9	186.9	186.9	186.9	186.9	186.9	186.9	186.9	186.9	186.9	186.9
ST Debt	60.5	57.6	57.7	59.0	54.5	55.4	51.3	47.3	44.6	46.1	42.9	47.5
<b>Total Capital</b>	<b>\$403.7</b>	<b>\$401.0</b>	<b>\$400.5</b>	<b>\$402.2</b>	<b>\$398.8</b>	<b>\$401.4</b>	<b>\$398.9</b>	<b>\$396.6</b>	<b>\$393.7</b>	<b>\$396.0</b>	<b>\$393.9</b>	<b>\$395.1</b>

Please note that ratemaking pro formas to remove the Tolleson obligation and include the Phoenix Interconnection are not reflected in Long-Term Debt.